

IN THE SENATE OF THE UNITED STATES.

JANUARY 18, 1860.—Ordered to be printed.

Mr. MALLORY made the following

REPORT.

[To accompany Bill S. 89.]

*The Committee on Naval Affairs, to whom was referred the memorial of William D. Moseley, asking relief from a contract to furnish live-oak for a sloop-of-war, which he assumed as surety, have had the same under consideration, and report :*

That Harrison R. Blanchard contracted with the United States on the 25th September, 1855, to deliver at the navy yard, New York, on or before the 1st October, 1856, live-oak for naval purposes, described in the contract as follows: "30,000 cubic feet of live-oak timber, viz: 3,600 feet of principal pieces, at \$1 75 per cubic foot; 20,400 feet of moulded timber, at \$1 30; and 6,000 feet of promiscuous pieces, at \$1 per cubic foot, amounting in all to \$38,820." For the performance of this contract the memorialist, together with Mr. A. Williams, was joint surety in the sum of \$70,000; and upon the failure of the contractor to perform it, the memorialist took an absolute assignment of the contract from him, as his affidavit shows, and at once entered upon its performance in good faith.

Upon referring to the scale of offers accompanying the report of the Secretary of the Navy of the 1st of December, 1856, it will be perceived that Mr. Blanchard's offer was \$8,580 lower than the next highest bidder. By the terms of the contract the timber was to be cut within thirty miles of the sea; and the memorialist states, what is also known to the committee, that Indian hostilities existed in this country, and he alleges that he was thereby prevented from executing it. He, however, furnished a large portion of the timber, and the Navy Department contracted with a new party for supplying the remainder, at prices exceeding those allowed to Blanchard, viz: for 2,800 cubic feet of principal pieces at \$2 per foot, and 13,000 feet of moulded timber at \$1 50 per foot, amounting in all to \$25,100, being an excess of \$3,300 over Mr. Blanchard's contract.

From the copy of the letter hereunto annexed, addressed to the honorable Secretary of the Navy by the chief of the Bureau of Construction, Equipment and Repair, and communicated to your committee, upon their application to the Navy Department for information,

it appears that "there has been paid to Mr. Blanchard on his contract the sum of \$13,979 35, and the reservation in the hands of the government amounts to \$2,466 94."

Your committee find that the memorialist contracted to deliver this timber at unusually low rates, and that he entered upon the performance of his contract in good faith, and probably would have completed it but for Indian hostilities; "that if the contract be closed," and the reservation of \$2,466 94, retained by the United States, be paid to the memorialist, "the average of the whole contract will then be at a low rate, and the entire frame, under the two contracts, will have been delivered for \$41,546 29, which, in my opinion, (the bureau,) is on advantageous terms to the government; that the United States having therefore lost nothing, but having actually obtained this timber upon advantageous terms, your committee deem the memorialist entitled to relief, and report a bill accordingly.

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NAVY DEPARTMENT,

*Bureau of Construction, Equipment, &c., Feb. 17, 1858.*

SIR: In compliance with your instructions endorsed on the letter of the chairman of the Naval Committee of the Senate to the department, of the date of 4th February, I would respectfully state that, on the 25th September, 1855, a contract was made with Mr. Blanchard for the delivery at the New York yard, on or before the 1st October, 1856, of 30,000 cubic feet of live-oak timber, viz: 3,600 feet of principal pieces, at \$1 75 per cubic foot; 20,400 feet of moulded timber, at \$1 30, and 6,000 feet of promiscuous pieces, at \$1 per cubic foot, amounting in all to \$38,820.

Upon referring to the scale of offers accompanying the report of the Secretary of the Navy, of the 1st December, 1856, it will be perceived that Mr. Blanchard's offer was \$8,580 lower than the next highest bidder.

The contract was not completed within the time specified, for the reason, as then stated by the contractor or his surety to the department, that they were prevented by the hostile Indians; but the government has suffered no loss thereby, and the timber has not been wanted for use.

It being understood that the contract could not be fulfilled, on the 4th August, 1857, a letter was addressed by this bureau to Mr. Moseley, one of the sureties, to ascertain certainly the intention of the contractor, so that proper steps might be taken to complete the contract.

Mr. Moseley replied, on the 1st September, 1857, that he was unable to complete it, and at the same time expressed his readiness to send forward all the timber he then had cut conforming to the contract, that it might be taken. This showed a willingness on his part to fulfil his engagement as far as lay in his power, and it was placing further security in the hands of the government. A portion of this timber was delivered, and the whole would have been, it appears, as is stated in the memorial, but the vessel engaged refused to take it on account of its size.

On the 17th November, 1857, a contract was made with other parties to complete the contract of Mr. Blanchard, viz: for \$2,800 cubic feet of principal pieces at \$2 per foot, and 13,000 feet of moulded timber at \$1 50 per foot, amounting in all to \$25,100, being an excess of \$3,300 over Mr. Blanchard's contract. If the actual measurement proves to be less than the estimated quantity, which it probably will, the excess will not be so much.

There has been paid to Mr. Blanchard on his contract the sum of \$13,979 35, and the reservation in the hands of the government amounts to \$2,466 94. If the contract is closed and the reservation paid, the average of the whole will then be at a low rate, and the entire frame, under the two contracts, will have been delivered for \$41,546 29, which, in my opinion, is on advantageous terms to the government.

With respect to the 2,000 cubic feet which Mr. Moseley says he will have on his hands, of principal pieces or moulded timber, or that will make such, and it proves to be suitable and satisfactory, it might without detriment be taken at not exceeding his contract rates.

The papers are herewith respectfully returned.

Respectfully, your obedient servant,

JOHN LENTHALL,  
*Chief of the Bureau.*

Hon. ISAAC TOUCEY,  
*Secretary of the Navy.*

